

**Abandoned Mine Lands Reclamation Federal Program****FY2008 Request:****\$1,500,000****Reference No:****6855****AP/AL:** Appropriation**Category:** Public Protection**Location:** Statewide**House District:** Statewide**Estimated Project Dates:** 07/01/2007 - 06/30/2010**Project Type:** Health and Safety**Contact:** Nico Bus**Contact Phone:** (907)465-2406**Brief Summary and Statement of Need:**

The Legislature enacted the Alaska Surface Coal Mining Control and Reclamation Act in 1983 (AS 27.21). One of the main purposes of the act was to promote the reclamation of areas mined and left without adequate reclamation before enactment of the federal Surface Mining Control and Reclamation Act of 1977. These mined areas endanger public health and safety, substantially degrade the environment, and prevent the beneficial use of or cause damage to land and water resources. This program will employ up to 50 Alaskans in private sector jobs as part of the reclamation efforts.

<b>Funding:</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>Total</b>
Fed Rcpts	\$1,500,000	\$3,525,000	\$3,525,000	\$1,525,000	\$1,525,000	\$1,525,000	\$13,125,000
Total:	\$1,500,000	\$3,525,000	\$3,525,000	\$1,525,000	\$1,525,000	\$1,525,000	\$13,125,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

**Additional Information / Prior Funding History:**

SLA06/CH82 - \$3,525,000  
 FSSLA05/CH3 - \$1,500,000  
 SLA04/CH159 - \$1,500,000  
 SLA03/CH82 - \$1,500,000  
 SSLA02/CH1 - \$1,500,000  
 SLA01/CH61 - \$1,500,000

**Project Description/Justification:**

Funds from the AML (Abandoned Mine Land) Trust Fund through the Office of Surface Mining can only be spent for reclamation of AML sites (AS 27.21 and 11 AAC 90). The AML Program covers 100% of the cost of hazard mitigation on qualifying problem sites regardless of ownership. The AML program has thus far identified 16 coal sites and 124 non-coal sites requiring reclamation at a cost of \$42,000,000. It is estimated that Alaska will receive an additional \$52,000,000 to \$64,000,000 by the end of the program. The highest priority sites will be worked on first. Innovative methods of closure, more "privatization" within the program, and more effective/efficient contract management are being implemented to allow available funding to address more problem areas. The highest priority sites are those that are an extreme danger to public health and safety. The types of hazards are mine pit highwalls, open portals and shafts, dilapidated structures and equipment, dangerous impoundments, clogged streams, dangerous mine waste piles, surface coal fires, polluted water, and industrial and residential waste. AML sites occur on private, state, native and federal lands.

The AML program has committed funding to a single large project multiple year construction contract totaling approximately \$3,220,000 to one Alaskan contractor providing employment for 50-100 Alaskans and many more indirectly in the adjacent communities. This contract will effectively utilize all available funding from the basic \$1.525 million grant for this fiscal year. Several private entities are promoting receipt of an additional \$2.0 million in funds for this fiscal year, which, if granted, will allow for an additional 4 to 6 projects and contracts to be let during the fiscal year. The benefit to Alaska is that public health and safety hazards on private, state, native and federal land will be reclaimed improving the quality of life in Alaska, save lives, reduce injuries and enhance land values and allow a wide variety of future beneficial uses on these sites.

In addition to the federal grant the AML program receives small amounts of money from other federal agencies for cooperative projects. This funding is less than \$50,000 annually.

As part of the CIP authorization the AML program receives roughly \$600,000 for administrative costs in its annual federal grant. These funds are authorized in the operating budget. Administrative costs are 100% federally funded.

The USACE RAMS Program is new to Alaska and allows us to mitigate both abandoned and inactive non-coal sites using funds under the Corps of Engineers umbrella. The Alaska AML Program has been working with the Alaska Delegation to get wording changes in the Water Resources Development Act (WRDA) that will move RAMS from a demonstration project to fully operational mitigation program. Funding will be dependant on the Congressional Delegation for appropriations, but we estimate it to be up to \$1,500,000 annually.

**Why is this Project Needed Now:** Federal funding for the reclamation of AML sites is currently available to the State, but will not continue in perpetuity. The AML Trust Fund may sunset at any time between fiscal 2008 and 2027, with the most likely date being in 2025. The USACE RAMS Program provides a year-to-year source of funding that allows us to mitigate more non-coal sites at a faster rate than would otherwise be the case. There are no general fund sources of funding for AML reclamation in Alaska at this time. Alaska is better served by taking advantage of these funds while they are available.

**Specific Spending Detail:**Line Item Expenditures (in thousands of dollars):

Personal Services \$332.3 Description - 3.875 FTE  
Indirect Charges to Budget \$44.9  
Travel \$18.0 Description - Non-federal training, meetings of associations, and field reconnaissance  
Services \$79.0 Description - RSA's to other state entities  
Commodities \$20.0 Description - Office supplies and small field tools  
Capital Outlay \$0.0 Description - No new purchases of equipment in the works at this time.  
Construction/Project Contracts \$1,005.8 Description – Site mitigation through contracts or force account.

**Project Support:**

Project support varies from project to project but is usually from the landowner/land manager, mineral owner, adjacent community, the construction industry and special interest groups such as environmental and historical groups. The present day mining industry also supports the AML and RAMS Program efforts to address safety issues left from past development practices as the public often erroneously equates these old sites with modern practices.

**Project Opposition:** There is no known opposition to the stated objectives of the program. The program has substantial flexibility in its hazard abatement methods and concerns can generally be overcome.